This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 02 QUITO 003115

DEPARTMENT PLEASE PASS TO USAID AA/LAC AND USAID/LAC/SA

E.O. 12958: N/A

TAGS: <u>EAID EC ECON EFIS ETRD PGOV PREL SENV</u>
SUBJECT: DONORS LOSING PATIENCE WITH MANAGEMENT OF GALAPAGOS

REF: A. OUITO 2923

¶B. QUITO 2704

¶1. Summarv. Ecuador continues to take two steps backward for each step forward in the Galapagos. President Gutierrez signed a decree in October banning the export of shark fins from Ecuador (Reftel A), to promote conservation. The Minister of the Environment, Fabian Valdivieso, however, replaced the interim director of the Galapagos National Park (GNP) yet again with a pro-fishing advocate, to the consternation of the donor community. The Japanese aid agency (JICA) is threatening to withdraw funding if stability in the GNP is not restored. In a meeting with the Ambassador, Valdivieso acknowledged the problems but presented no clear vision on fixing them. His only request, when asked how we could help him, was to ask the Ambassador to raise these issues with President Gutierrez. The Embassy is currently re-evaluating our aid program, looking for ways to promote conservation in the Galapagos. End Summary.

Another Interim Director

- $\P 2$. Citing the Civil Service Law that only permits interim directors to be in place for a period of no more than 60 days, Minister of the Environment Fabian Valdivieso removed Victor Carrion as Interim Director of the GNP on November 11. Valdivieso seems to have broadly (some would say dubiously) interpreted this law, which further states that after the 60-day period has expired a permanent director must be installed. Victor Carrion was only in office for 45 days when he was removed. However, contrary to his own legal view, Valdivieso did not name a permanent director. Instead he appointed another temporary director, Marco Hoyos, who had been working in the Environmental Education department in the GNP. Hoyos, 60-day term will expire on January 11, 2005. Valdivieso also mentioned that he had faced political pressure to replace Carrion, thus fueling Mission concerns about GOE's commitment to depoliticize the GNP.
- 13. Hoyos made his agenda clear from day one aid local fisherman. He removed the Chief of the Marine Reserve Unit and the Control and Surveillance Unit. He also "recommended" that many of the Marine Reserve guards take vacation until their contracts expire at the end of December 2004, the same time the lobster-fishing season ends. These changes will severely limit monitoring of the Marine Reserve during this critical fishery season.

Minister of the Environment - All Rhetoric/Little Action

- 14. The Ambassador met on November 26 with Valdivieso to discuss the prolonged instability in the Galapagos. frankly noted that there is a lot of discontent in the international community about how management of the GNP is spinning out of control. Donors are contemplating pulling out of the Galapagos because of the lack of stability and vision in park management, she told Valdivieso. JICA (the Japanese International Aid Organization) sent a strongly worded letter to GNP Director Hoyos (which has received wide distribution) stating that such abrupt changes in personnel would cause the Japanese Government to consider the GNP unstable. They stated that there is clear precedence of JICA projects being terminated because of such instability.
- $\underline{\mbox{15}}.$ In addition to the conflict between "conservationists" and "extractionists", Valdivieso noted that there is a growing tension between the tourism and fishing industries over the utilization of the marine reserve. He talked obtusely of short-term actions and long-term goals to address the conflict between users of the Galapagos Marine Reserve. He said he would have the new, permanent director in place before Hoyos' term expires (See Reftel B for explanation of proposed process for choosing park directors). He said he would also work to stabilize the contracts of the park employees. (Note: Some 225 GNP yearly contracts expire on December 31. Neither Valdivieso nor Hoyos have indicated if those contracts would be renewed or if those workers would be replaced with new employees.) Valdivieso proposed establishing a Sub-Secretary position in the Ministry of the

Environment to oversee the Galapagos. He would also like to convene an international forum here in Ecuador some time in the Spring 2005 to address the broader Galapagos issues. He also asked the Ambassador to call President Gutierrez and clearly explain the ramifications of continued international discontent.

Comment

- 16. Valdivieso would be the primary beneficiary from the proposed establishment of a Sub-Secretary to oversee the Galapagos, because it will give him a ready scapegoat should else go wrong in the Galapagos. We gave a lukewarm response to his idea to introduce yet another level of bureaucracy into the process.
- 17. We support the idea of an international forum on the Galapagos to address the long-term issue of sustainable development, but have made it abundantly clear to Valdivieso that the instability in and politicization of the GNP needs to be addressed now, before other donors begin withdrawing support. We are also re-evaluating our Galapagos aid program looking for more sticks in addition to the carrots we have offered in the past.
- 18. The Ambassador regularly bends the President's ear on Galapagos matters and, given the heightened international exasperation with how the Gutierrez administration has handled the Galapagos, will raise the issue again. But, without concrete measures by the GOE to stabilize the situation, Ecuador will soon face serious consequences from donors and in degradation to this International Heritage site.

KENNEY